

Kenai Peninsula Borough School District

FY24 Budget Presentation

March 2023



Preliminary FY24 General Fund Budget Summary – Original

Revenue *	\$134,925,873
Expenditures	145,118,894
Transfer to Other Fund – Student Transportation & Extra-Curricular Travel	<u>695,000</u>
Total Expenditures and Transfers	145,813,894
Excess (Deficiency) of Revenues over Expenditures	\$(10,888,021)

*Includes maximum funding from KPB

FY24 Preliminary Budget Process – Projected Enrollment

The process used to project the FY24 enrollment is based on a straight-line method. The steps involved were:

1. Grades at all school sites were moved ahead one grade level with some variance based on principal input.
2. Charter school enrollment projections are in concert with the contractual agreement between the School District and the charter school.
3. AR 6183 (c) notes the enrollment staffing for Homer Flex, Kenai Alternative and Marathon locations.
4. Kindergarten enrollment was based on the average of actual enrollment, for FY21, FY22 and FY23 and administrator recommendations.
5. Sites affected by feeder schools were adjusted appropriately

The projected enrollment for FY24 is 8,450

The District was required to submit the FY24 enrollment projections to the Department of Education and Early Development on November 5, 2022

FY23 Preliminary Budget Process - Revenue

- State of Alaska
 - Foundation funding based on projected enrollment
 - Quality Schools funding \$16 per Adjusted Average Daily Membership (AADM)
 - TRS/PERS On-Behalf
- Kenai Peninsula Borough
 - Appropriation
 - In-Kind
- Other
 - Erate
 - Interest Earnings
 - Other

Preliminary FY24 General Fund Budget – State of Alaska Revenue

	FY22 Actual	FY23 Original	FY23 Revised	FY24 Preliminary
State of Alaska Foundation Funding	\$73,573,326	\$73,591,664	\$74,088,532	\$71,584,258
State of Alaska Supplemental	29,652	-	-	-
State of Alaska Quality Schools	279,348	276,554	277,949	275,602
State of Alaska One – Time payment	-	3,844,884	3,844,884	-
State of Alaska TRS/PERS On-Behalf	<u>11,265,863</u>	<u>6,478,022</u>	<u>6,478,022</u>	<u>7,132,899</u>
Total	\$85,148,189	\$84,191,124	\$84,689,387	\$78,992,759

- State of Alaska – FY24 Base Student Allocation increase by \$30 to \$5,960
- Hold Harmless Provision – Expired in FY23
- Decrease of Foundation Funding, Quality Schools and One-Time payments reduced revenue by (\$6,351,505)

Why the drop in State of Alaska funding when we have an increase to the BSA?

FY24 - \$30 dollar increase to the BSA provided about \$500K in revenue.

In FY23, the hold harmless provision in the foundation formula provided approximately \$900K in funding. The final year of the hold harmless provision was FY23.

The Full and True value of taxable real and personal property within Kenai Peninsula Borough (KPB) increased by approximately \$800M. As a result, the amount of Regular State Aid is reduced, and increased the amount that KPB could provide.

Preliminary FY24 General Fund Budget – KPB Revenue

	FY22 Actual	FY23 Original	FY23 Revised	FY24 Preliminary
KPB Appropriation	\$36,537,314	\$39,741,388	\$39,741,388	\$41,930,218
KPB In-Kind	<u>11,462,686</u>	12,822,896	12,822,896	12,822,896
KPB Grant Funding	<u>2,000,000</u>	=	=	=
Total	\$50,000,000	\$52,564,284	\$52,564,284	\$54,753,114

KPB maximum allowable funding is \$2.18M over FY23 due to the increase in the Full and True value of taxable real and personal property.

Preliminary FY24 General Fund Budget - Revenue

	FY22 Actual	FY23 Original	FY23 Revised	FY24 Preliminary
State Of Alaska	\$85,148,189	\$84,191,124	\$84,689,387	\$78,992,759
Kenai Peninsula Borough	50,000,000	52,564,284	52,564,284	54,753,114
Other Revenue	<u>111,949</u>	<u>1,180,000</u>	<u>1,180,000</u>	<u>1,180,000</u>
Total Revenue	\$135,260,138	\$137,935,408	\$138,433,671	\$134,925,873

- Other Revenue: E-rate, Interest Earnings and Other Miscellaneous.

Preliminary FY24 General Fund Budget - Expenditures

- Staffing is based on projected enrollment and the staffing formula.
- The employee salaries were calculated with step increases.
- The Healthcare calculation was based on FY23 rates + 5%. This amount may be updated at a later date if more information is received. The split for health care is 85/15 per the negotiated agreement.
- A lapse calculation of 2% was used for salaries and benefits.
- Utilities based on a 3-year average.
- Instructional/Office supply and copy budgets updated based on projected enrollment.

FY24 General Fund Budget - Expenditures

Salaries – Includes Step Increases	\$72,780,412	49.92%
Benefits	44,357,730	30.42%
Workers Compensation	1,713,231	1.17%
Professional and Technical	1,648,567	1.13%
Travel	618,865	0.42%
Utilities	6,812,294	4.67%
Purchased Services (Includes In-Kind Maintenance and Charter school rent and in-kind)	12,136,784	8.32%
Supplies	4,125,738	2.83%
Other Expenses	423,896	0.29%
Indirect	(500,000)	-0.34%
Equipment	1,001,377	0.69%
Transfers to Other Funds – Pupil Transportation & Extra-Curricular Travel	<u>695,000</u>	<u>0.48%</u>
Total Expenditures	\$145,813,894	100.00%

KPBSD COVID-19 Education Related Grant Funds

1. Coronavirus Aid, Recovery and Economic Security (CARES) act
 - Elementary and Secondary School Emergency Relief (ESSER) fund
 - \$2,295,953
 - Fully Expended in FY21 (expended on PPE, Zoom, Chromebook's, etc. No salaries/benefits)

2. Coronavirus Response and Relief Supplemental Appropriations (CRRSA) act
 - Elementary and Secondary School Emergency Relief (ESSER II) fund
 - \$9,088,405
 - Fully Expended in FY22

3. American Rescue Plan (ARP)
 - Elementary and Secondary School Emergency Relief (ESSER III) fund
 - \$20,414,897

Elementary and Secondary Emergency Relief (ESSER II) fund
\$9,088,405
Period of Availability 7/1/2021-6/30/2023

- Salaries and Benefits \$8,534,635

74.35 Certificated Staff and 14 Non-Certificated Staff.

Other Staffing - Certificated and non-certificated substitutes, temporary help, nurses additional pay, and certificated prep time payments.

- Other Items \$92,167

Disposal of PPE supplies, digital learning software, PPE supplies, and air purifiers

- Indirect \$461,603

The ESSER II grant funds were expended in FY22.

Elementary and Secondary Emergency Relief (ESSER III) fund

\$20,414,897

Period of Availability 7/1/2021-6/30/2024

20% Percent to be used to address learning loss.

\$4,082,979

Learning Loss:

- FY22 Expended \$618,443
 - Summer School Program
- FY23 Budgeted \$2,845,444
 - 4 FTE Certified teachers for credit recovery, intervention and CTE.
 - Instructional Aides – 22 aide positions, .44 to .88 FTE.
 - iReady Math program
 - Software
 - Indirect

Elementary and Secondary Emergency Relief (ESSER III) fund \$20,414,897

Period of Availability 7/1/2021-6/30/2024

Regular ESSER III Funds

- FY22 \$2,407,561
 - Salaries and Benefits \$2,284,864
 - Includes One-Time payments in the amount of \$1,500.00 per FTE for KPEA and KPESA members, in-lieu of a salary increase.
 - Indirect \$122,697

FY23 Budgeted - \$8,104,235

- Salaries and Benefits \$7,235,242
 - 70.50 Certificated staff and 5 FTE Support staff
 - Substitutes and Temporary hires.
- Supplies/Software \$88,551
- Technology \$384,225
- Indirect \$396,217

Elementary and Secondary Emergency Relief (ESSER III) fund
\$20,414,897

Period of Availability 7/1/2021-6/30/2024

Projected Balance of ESSER III funds for FY24

	Regular	Learning Loss	Total
	\$ 16,331,918	\$ 4,082,979	\$ 20,414,897
FY22 Actual	2,407,561	618,443	3,026,004
FY23 Budgeted	<u>8,104,234</u>	<u>2,845,444</u>	<u>10,949,678</u>
Balance - Projected	<u>\$ 5,820,123</u>	<u>\$ 619,092</u>	<u>\$ 6,439,215</u>

Preliminary FY24 General Fund Budget Summary – With Use of ESSERIII Funds.

Revenue *	\$134,925,873
Expenditures **	138,679,678
Transfer to Other Fund – Student Nutrition & Extra-Curricular Travel	<u>695,000</u>
Total Expenditures and Transfers	139,374,678
Excess (Deficiency) of Revenues over Expenditures	\$(4,448,805)

*Includes maximum funding from KP.B.

** Uses Remaining ESSERIII funds to offset expenditures.

Questions?

- **Email:** ehayes@kpbsd.org
- **KPBSD Finance Department:** go.kpbsd.org/finance

Kenai Peninsula Borough School District

The mission of the Kenai Peninsula Borough School District is supporting students in life success.

www.kpbsd.org

